

CANNON BUILDING 861 SILVER LAKE BLVD., SUITE 203 DOVER, DELAWARE 19904-2467

STATE OF DELAWARE DEPARTMENT OF STATE

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DIVISION OF PROFESSIONAL REGULATION

PUBLIC MEETING MINUTES: DELAWARE REAL ESTATE COMMISSION

MEETING DATE AND TIME: Thursday, May 13, 2010 at 9:00 a.m.

PLACE: 861 Silver Lake Boulevard, Dover, Delaware

Conference Room A, second floor of the Cannon Building

MINUTES APPROVED: June 10, 2010

MEMBERS PRESENT

Ricky H. Allamong, Professional Member, Chairman Vincent M. White, Professional Member, Vice-Chairman Andrew Staton, Professional Member, Secretary Gilbert Emory, Public Member James C. Brannon, Jr., Public Member Patricia O'Brien, Public Member Christopher J. Whitfield, Professional Member Richard Brogan, Professional Member

DIVISION STAFF/ DEPUTY ATTORNEY GENERAL

Eileen Heeney, Deputy Attorney General Gayle Melvin, Administrative Specialist III

MEMBER ABSENT

Denise R. Stokes, Public Member

ALSO PRESENT

Deborah Puzzo
TracyLee Elmore, SCAOR
Audrey Brodie
Joseph Maggio
Terri Favata
Jeffrey Stout
Jim Lattanzi
Christine Davis
Kathy Maupin
Richard Marcus

Michael Harrington, Sr.
Lynda Brogan
Chris Holvach
Robert Ross
Delbert Mills
Scott Dowling
Brenda Chrosniak
Virginia Hegedus
James Hegedus
Myra Mitchell
L. J. Ward, Investigator
Seth Thompson, Esquire
Barbara Gadbois, DAG
Juli LaBadia, Court Reporter

CALL TO ORDER

Mr. Allamong called the meeting to order at 9:00 a.m. Mr. Brogan was welcomed to the Commission.

REVIEW OF MINUTES

A motion was made by Mr. Brannon, seconded by Ms. O'Brien to approve the minutes of the meeting held on April 8, 2010. The motion passed unanimously.

A motion was made by Mr. Brannon, seconded by Mr. Emory to approve the minutes of the meeting held on April 9, 2010. The motion passed unanimously.

9:00 a.m. – MEETING WITH DEBORAH PUZZO REGARDING THE SUNSET REVIEW PROCESS

A meeting was held with Deborah Puzzo, Executive Director of the Joint Sunset Committee. Ms. Puzzo gave an overview of the Joint Sunset Committee. She explained that the Joint Sunset Committee is comprised of ten legislators and is responsible for guiding the sunset review process. She next gave an overview of the sunset review process. She advised that the purpose of the sunset review is to determine if there is a need for a board or commission and, if so, to determine if it is effectively performing to meet that need. She explained that sunset reviews are generally conducted over a ten to twelve month time period commencing in July. A comprehensive review of each agency selected for review, based on statutory criteria, will be performed by her. She will prepare a draft report for use by the Joint Sunset Committee during the pubic hearings. Public hearings are held to provide an opportunity for the Joint Sunset Committee to determine if the agency is protecting the public's health, safety and welfare. At the conclusion of a sunset review, the Joint Sunset Committee may recommend the continuance, consolidation, reorganization, transfer or termination of a board or commission. She stated that the Real Estate Commission had previously been under sunset review in 2001 and 1991. She stated that she had already been getting phone calls about the sunset review for the Real Estate Commission and asked if the Commission could help in letting individuals know that the public hearings would be the time for them to make comments. The Commission advised Ms. Puzzo that a Subcommittee has been working on proposed revisions to the statute and will be submitting those proposed revisions with the questionnaire. A motion was made by Mr. Allamong, seconded by Mr. Staton, to appoint Mr. Whitfield as the liaison contact person to work with Ms. Puzzo. The motion passed unanimously. A motion was made by Mr. Whitfield,

seconded by Mr. Staton, to remove the proposed revisions to the statute off the Division of Professional Regulation's website and to post the information regarding the sunset review process timeline. The motion passed unanimously.

NEW BUSINESS

Applications for Licensure

A motion was made by Mr. Brannon, seconded by Mr. Whitfield to ratify the following new salesperson applicants as presented:

James Mellon, Weichert Realtors, Chadds Ford, PA Maxwell Osei Tutu, Keller Williams Realty, Christiana, DE Lois Saraceni, Connor Jacobsen Realty, Inc., Bethany Beach, DE Carol Wangen, Mann and Sons, Inc., Rehoboth Beach, DE Michele White, Millman Realty, LLC, Wilmington, DE Melinda Wimer, Harlan Williams Co., Realtors, Elkton, MD Michele Juliano, Weichert Realtors, Chadds Ford, PA Massimo Lemma, Keller Williams Realty, Christiana, DE John Brown, Jackson Cross Partners, Wilmington, DE Danny Sawyer, Harrington ERA Realty, Dover, DE Lauren McCauley, Coldwell Banker Residential Brokerage, Bethany Beach, DE Vincent Papa, Investment Property Services, Newport, DE Kelly Saxton, Patterson-Schwartz, Middletown, DE Linda Clark, Keller Williams Realty, Wilmington, DE Charles Laskowski, Coldwell Banker Preferred, Wilmington, DE Jesaca Webb, Harrington ERA Realty, Dover, DE Elaine Hyland, Bay Coast Realty, Rehoboth Beach, DE Sol Barreto, Millman Realty, LLC, Wilmington, DE Alisa Adams, Prudential Fox & Roach Realtors, Wilmington, DE Michael Carr, Keller Williams Realty, Wilmington, DE Kristen Slijepcevic, Century 21 Gold Key Realty, Newark, DE John Killelea, Jr., Keller Williams Realty, Christiana, DE Jeffrey Carr, Keller Williams Realty, Wilmington, DE Matas Smakotinas, Patterson-Schwartz, Greenville, DE Jack Michael, Prudential Fox & Roach, Greenville, DE Benjamin Clery, Prudential Fox & Roach, Devon, PA Sue Baughman, Coldwell Banker Preferred, Wilmington, DE Kim Anh Du, Century 21 The Real Estate Store, Boothwyn, PA William Prohaska, Coldwell Banker Preferred, Wilmington, DE Ema Bajlovic, Century 21 Gold Key Realty, Newark, DE Ivetty Regalado Gomez, Keller Williams Realty, Christiana, DE

The motion passed unanimously.

The application of Deborah Shockley for a non-resident broker's license was reviewed. A motion was made by Mr. White, seconded by Mr. Staton to approve this application. The motion passed unanimously.

Malcom Knopp, Sperry Van Ness-Miller Commercial Real Estate, Salisbury, MD

The application of Daniel Nelson for a non-resident broker's license was reviewed. Mr. Nelson requested a waiver of the requirement of having to hold an active license for five years

immediately preceding application for a broker's license. A motion was made by Mr. White, seconded by Mr. Whitfield to propose to deny this application. The motion passed unanimously.

The application of Rodney Joyner for a non-resident broker's license was reviewed. A motion was made by Mr. Brannon, seconded by Ms. O'Brien to approve this application. The motion passed unanimously.

The application of Jeffrey Stout for a resident broker's license was reviewed. A motion was made by Mr. Brannon, seconded by Mr. Staton to approve this application. The motion passed unanimously.

The application of Ignacio Ferreiro for a resident salesperson's license was reviewed. A motion was made by Mr. Whitfield, seconded by Mr. Brannon to table this application and request a letter of explanation regarding Mr. Ferreiro's criminal history. The motion passed unanimously.

New Offices

The application of Maggio Shields Real Estate Brokerage for a new office was reviewed. A motion was made by Mr. Staton, seconded by Mr. Whitfield to approve this application. The motion passed unanimously.

The application of Resort Professionals for a new office was reviewed. A motion was made by Mr. Brannon, seconded by Mr. Whitfield to approve this application. The motion passed unanimously.

The application of Totally Distinctive Realty Group for a new office was reviewed. A motion was made by Mr. White to deny this application. After discussion, Mr. White withdrew his motion. A motion was made by Mr. Staton, seconded by Mr. Brannon to approve this application pending receipt of proof that the signage has been installed and the office has been furnished. The motion passed by majority vote. Mr. White voted against the motion.

The application of First Class Properties-Lewes for a new office was reviewed. A motion was made by Mr. White, seconded by Mr. Whitfield to approve this application. The motion passed unanimously.

The application of Tansey-Warner Realty for a new office was reviewed. A motion was made by Mr. White, seconded by Mr. Emory to approve this application. The motion passed unanimously.

The application of Peninsula at Long Neck, LLC for a new office was reviewed. A motion was made by Mr. White, seconded by Mr. Staton to deny this application. After discussion, the motion was withdrawn. A motion was made by Mr. Brannon, seconded by Mr. Staton to approve this application pending receipt of proof that the signage has been installed and the escrow account is in the name of the broker. The motion passed by majority vote. Mr. White voted against the motion.

Reinstatement of License

The application of Michael Shallcross for reinstatement of a resident salesperson's license was reviewed. A motion was made by Mr. Staton, seconded by Mr. Brannon to approve Mr. Shallcross for reinstatement pending passing the state portion of the exam. The motion passed unanimously.

The application of Margaret Webb for reinstatement of a resident salesperson's license was reviewed. A motion was made by Mr. Staton, seconded by Mr. Whitfield to approve Ms. Webb for reinstatement pending passing the state portion of the exam. The motion passed unanimously.

The application of Edward O'Brien for reinstatement of a non-resident broker's license was reviewed. A motion was made by Mr. Brannon, seconded by Mr. Staton to approve Mr. O'Brien for reinstatement pending passing the state portion of the exam. The motion passed unanimously.

The application of Donald Baughman for reinstatement of a resident salesperson's license was reviewed. A motion was made by Mr. Brannon, seconded by Mr. Staton to approve Mr. Baughman for reinstatement. The motion passed unanimously.

The application of David Thompson for reinstatement of a resident broker's license was reviewed. A motion was made by Mr. Staton, seconded by Mr. Whitfield to approve Mr. Thompson for reinstatement pending passing the national and state portions of the exam. The motion passed unanimously.

The application of Rachel Farro for reinstatement of a resident salesperson's license was reviewed. A motion was made by Mr. Staton, seconded by Mr. Brannon to approve Ms. Farro for reinstatement pending passing the state portion of the exam. The motion passed unanimously.

Status of Complaints

Complaint No. 02-13-09 – Referred to the Attorney General's Office

Complaint No. 02-15-09 - Closed

Complaint No. 02-16-09 – A hearing will be scheduled for the July meeting.

Complaint No. 02-17-09 - Closed

Complaint No. 02-27-09 – Referred to the Attorney General's Office

Complaint No. 02-07-10 – Assigned to Mr. Brannon

Complaint No. 02-08-10 – Assigned to Mr. Brannon

Complaint No. 02-09-10 – Assigned to Mr. Brannon

Complaint No. 02-10-10 – Assigned to Mr. Brannon

Complaint No. 02-11-10 – Assigned to Mr. Brannon

Complaint No. 02-12-10 – Assigned to Mr. Brannon

Complaint No. 02-13-10 – Assigned to Mr. Brannon

Complaint No. 02-14-10 - Assigned to Mr. Staton

Complaint No. 02-15-10 – Assigned to Mr. White

Education Committee Report

Recommendation to Approve and Deny Course Providers, Instructor Applications and Student Requests as Noted

The Education Committee discussed the annual seminar at the May 6, 2010 meeting. The Committee plans to have recommendations regarding topics and instructors at the June Commission meeting.

It was discussed whether or not Mr. Brogan should continue to serve on the Education Committee. After discussion, Mr. Brogan advised that he will voluntarily resign from the Education Committee at their next meeting. Mr. White asked Mr. Brogan if he would continue to attend the Education Committee meetings as the Commission's liaison person. Mr. Brogan indicated that he would continue to attend those meetings, and was appointed as the Commission's liaison person to the Education Committee.

A motion was made by Mr. Whitfield, seconded by Mr. Brannon to approve and deny course providers, instructor applications and student requests as noted in the minutes of the May 6, 2010 meeting of the Real Estate Education Committee. The motion passed unanimously.

Review Resume for John Tarburton

The Commission reviewed the resume for John Tarburton. A motion was made by Mr. White, seconded by Mr. Whitfield to appoint Mr. Tarburton to the Education Committee as a Sussex County Public Member. The motion passed unanimously.

Update from the Subcommittee to Review Statute Revisions

Mr. Whitfield reported that the Subcommittee is continuing to meet and work on the proposed revisions to the statute. The next meeting is scheduled for June 7, 2010 at 9:00 a.m.

The Commission recessed from 10:15 a.m. to 10:30 a.m.

Review of Letter from Darrell Stroy Requesting a 30-Day Extension for Taking the Exam

The Commission reviewed a letter from Darrell Stroy requesting a 30-day extension for taking the salesperson's exam due to a family hardship. A motion was made by Mr. Whitfield, seconded by Mr. Brogan to grant a 30-day extension. The motion passed unanimously.

Notification of Intent to File Claims Against the Real Estate Guaranty Fund: Locus Limited Partnership vs Lewes Realty, Inc. and Carole Seiber

The Commission received notification from Locus Limited Partnership of their intent to file claims against the Real Estate Guaranty Fund. Ms. Heeney advised that no action was needed by the Commission.

Discussion: Newsletter

Mr. White reported that he is working the on the next issue of the Newsletter. He will send it to Ms. Melvin to distribute to Commission members for review as soon as possible.

Discussion: Copies of Final Orders to Brokers of Record

A discussion was held regarding sending the final orders from hearings to the licensee's broker of record. A motion was made by Mr. White, seconded by Mr. Brogan to send a copy of the final order from a hearing to the licensee's broker of record. The motion passed unanimously.

Review of Request to Transfer from Teresa Barbour

The Commission reviewed the request to transfer from Teresa Barbour. Ms. Barbour's releasing broker of record had refused to sign the transfer form due to a dispute over monies

owed. A motion was made by Mr. Brannon, seconded by Mr. Whitfield to waive the requirement that the releasing broker of record must sign the transfer form. The motion passed unanimously.

OLD BUSINESS

<u>Discussion: Delaware Court Ruling Regarding Email Sufficient to Terminate Contract – Mr.</u> White

Mr. White reported that this is under jurisdiction of the Delaware Association of Realtors and no discussion is necessary.

Applications for Licensure

Non-Resident Broker

The Commission reviewed the application for a non-resident broker's license for Rosemarie Seibel and her letter of explanation as to why she did not have the 30 qualified transactions. A motion was made by Mr. Brogan, seconded by Mr. Brannon to approve this application. The motion passed by majority vote. Mr. Whitefield abstained from the vote. Mr. White recused himself from the review.

New Office

The Commission reviewed the new office application from Ideal Real Estate Services and the letter from Mr. Burdette requesting a waiver of having a Delaware phone number. A motion was made by Mr. Whitfield, seconded by Mr. Brannon to approve this application. The motion passed unanimously.

Sign Final Order from Hearing Held on April 8, 2010 Regarding Case 02-44-08 Against Michael A. Wallace

Commission members signed the final order from the hearing held on April 8, 2010 regarding Case 02-44-08 against Michael A. Wallace.

Sign Final Order from Oral Reargument Regarding Case 02-30-07 Against Joseph P. Connor, <u>Jr.</u>

This was tabled until the next meeting.

Sign Consent Agreement from Case 02-46-09 Against Michael S. Schachte

Commission members signed the consent agreement from Case 02-46-09 against Michael S. Schachte.

Sign Final Order from Rule to Show Cause Hearing Held on April 9, 2010 for Janis Williams-Shepherd

Commission members signed the final order from the rule to show cause hearing held on April 9, 2010 for Janis Williams-Shepherd.

Sign Final Order from Rule to Show Cause Hearing Held on April 9, 2010 for Linda C. Hughes

Commission members signed the final order form the rule to show cause hearing held on April 9, 2010 for Linda C. Hughes.

Sign Final Order from Rule to Show Cause Hearing Held on April 9, 2010 for Michael Cervelli

Commission members signed the final order from the show cause hearing held on April 9, 2010 for Michael Cervelli

Sign Final Order from Rule to Show Cause Hearing Held on April 9, 2010 for Donna M. Harrington

Commission members signed the final order from the show cause hearing held on April 9, 2010 for Donna M. Harrington.

Sign Final Order from Rule to Show Cause Hearing Held on April 9, 2010 for Sima Kislak Jelin

Commission members signed the final order from the show cause hearing held on April 9, 2010 for Sima Kislak Jelin.

Sign Final Order from Rule to Show Cause Hearing Held on April 9, 2010 for Justin Soss

This was tabled until the next meeting.

Sign Final Order from Rule to Show Cause Hearing Held on April 9, 2010 for Catherine M. Kempski

Commission members signed the final order from the show cause hearing held on April 9, 2010 for Catherine M. Kempski.

Sign Final Order from Rule to Show Cause Hearing Held on April 9, 2010 for Paul Schlimme

Commission members signed the final order from the show cause hearing held on April 9, 2010 for Paul Schlimme.

Sign Final Order from Rule to Show Cause Hearing Held on April 9, 2010 for Donald Grimes, Jr.

This was tabled until the next meeting.

Sign Final Order from Rule to Show Cause Hearing Held on April 9, 2010 for Daniel D. Ryan

Commission members signed the final order from the show cause hearing held on April 9, 2010 for Daniel D. Ryan.

Sign Final Order from Rule to Show Cause Hearing Held on April 9, 2010 for Richard A. <u>Lundregan</u>

This was tabled until the next meeting.

Sign Final Order from Rule to Show Cause Hearing Held on April 9, 2010 for Sherry L. Heffernan

This was tabled until the next meeting.

OTHER BUSINESS BEFORE THE COMMISSION (for discussion only)

There was no other business before the Commission.

PUBLIC COMMENT

Ms. Elmore asked when the audit process would start. Ms. Melvin responded that the audit process would start in July.

HEARINGS

Case 02-18-07 Against Thomas M. Harmon, Jr.

The hearing regarding Case 02-18-07 against Thomas M. Harmon, Jr. was continued. The Commission will review the consent agreement at the June meeting.

Case 02-42-08 Against Myra Mitchell

Ms. Heeney called the formal hearing to order at 11:35 a.m. This hearing was held to receive evidence in the matter of Case 02-42-08 against Myra Mitchell. It was noted that Mr. Givens, who is no longer a Commissioner, was the contact person for the complaint. Present for the hearing were Barbara Gadbois, Deputy Attorney General, Seth Thompson, Esquire, Myra Mitchell, Layton Ward, Mr. and Mrs. Hegedus and Robert Ross. Verbatim testimony was recorded by the court reporter.

Ms. Gadbois presented her case. She called Mr. Ward as her first witness. Mr. Ward answered questions from Ms. Gadbois, Mr. Thompson and Commission members. She called Ms. Hegedus as her second witness. Ms. Hegedus answered questions from Ms. Gadbois, Mr. Thompson and Commission members.

The Commission took a recess from 2:37 p.m. to 2:53 p.m.

Mr. Thompson called Mr. Ross as his first witness. Mr. Ross answered questions from Ms. Gadbois, Mr. Thompson and Commission members. Mr. Thompson next called Ms. Mitchell. She answered questions from Mr. Thompson, Ms. Gadbois and Commission members.

The Commission went off the record at 3:37 p.m. to hold deliberations. The Commission went back on the record at 4:10 p.m. A motion was made by Mr. Brannon, seconded by Mr. Whitfield that in Case 02-42-08, the Commission dismisses the charges against Ms. Mitchell because the State did not meet its burden of proof. The motion passed by majority vote. Ms. O'Brien and Mr. White voted against the motion. The hearing ended at 4:11 p.m.

Emergency Suspension Hearing for Case 02-15-10 Against Donna M. Johnson

Ms. Heeney called the formal hearing to order at 4:13 p.m. This hearing was held to receive evidence in the matter of Case 02-15-10 against Donna M. Johnson. Ms. Gadbois requested that the Commission temporarily suspend Ms. Johnson's license pending a final hearing on the

complaint because she presents a clear and immediate danger to the health, safety or welfare of the public if she is allowed to continue to practice. Mr. White, contact person for the complaint, recused himself from the hearing. Mr. Allamong and Mr. Staton also had to leave and did not participate in the hearing. Mr. Whitfield chaired the hearing. Present for the hearing were Barbara Gadbois, Deputy Attorney General, and Layton Ward. Verbatim testimony was recorded by the court reporter.

Ms. Gadbois presented her case. She called Ms. Melvin as her first witness and Mr. Ward as her second witness. Both answered questions from Ms. Gadbois and Commission members.

The Commission went off the record at 4:20 p.m. to hold deliberations. The Commission went back on the record at 4:22 p.m. A motion was made by Mr. Brogan, seconded by Mr. Brannon that the State has met its burden of proof regarding Case 02-15-10, Ms. Johnson violated 24 *Del. C.* Section 2919(a) and the Commission moves to temporary suspend Ms. Johnson's salesperson's license pending a full hearing. The motion passed unanimously. The hearing ended at 4:24 p.m.

NEXT SCHEDULED MEETING

The next meeting will be held on Thursday, June 10, 2010 at 9:00 a.m.

ADJOURNMENT

A motion was made by Mr. Brannon, seconded by Mr. Emory to adjourn the meeting. The motion passed unanimously. The meeting adjourned at 4:33 p.m.

Respectfully submitted,

Dayle & Melvin

Gayle L. Melvin

Administrative Specialist III